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# **Town of Maggie Valley Proposed Budget Fiscal Year 2019-2020**

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**Nathan Clark, Town Manager  
May 10, 2019**



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May 10, 2019

To: Mayor and Board of Aldermen  
From: Nathan Clark, Town Manager  
Subject: Proposed Fiscal Year 2019-2020 Budget

### **Budget Message**

I am pleased to present for your consideration the Fiscal Year 2019-2020 (FY19-20) Proposed Budget. This budget, representing the town manager's recommendation is balanced with respect to revenues and expenditures; meeting all requirements of the North Carolina Local Government Budget and Fiscal Control Act.

**The proposed budget is based upon property tax rate of \$0.43 per \$100 assessed valuation.**

This proposed tax rate is identical to the FY 19-20 tax rate. The proposed tax rate of \$0.43 once again allows Maggie Valley to claim the lowest municipal tax rate within Haywood County.

Below is a brief summary of the Town's two distinct funds:

- 1) **General Fund:** Includes a vast majority of the Town's operations
- 2) **Sewer Fund:** Includes the Town's Wastewater Treatment Plant and Wastewater Collection System

General Fund	\$ 2,907,111	(11.7% increase from FY 18-19)
Sewer Fund	\$ 902,017	(5.9% increase from FY 18-19)

**All Funds = \$3,809,128 ( 9.1% increase from FY18-19)**

### **Introduction**

The following section is a highlighted summary of major revenue and expenditure elements that are affecting this year's budget. Additionally, provided for your benefit is a brief analysis of the Town's Fund Balance.

### **Revenue Highlights:**

#### **Haywood County Tourism Development Authority (HCTDA)**

- The Town of Maggie Valley has received **\$20,000** from Haywood County HCTDA as part of the 28751 1% Subcommittee's Spring 2019 Distribution Cycle. The money received from TDA is earmarked to be used as reimbursement funding for Mary Rathbone Rich Park. The Town anticipates to receive \$100,000 in total reimbursement funding for this project and to date has received \$87,100.

### Solid Waste Collection Fee

- The Town of Maggie Valley's Solid Waste Collection Fee has completed its second year; charging each of the Town's residential solid waste customers a \$5.00 fee. With a 96% collection rate the Town estimates **\$81,615** (2% increase from FY 18-19) of revenue to help offset costs related to this valuable municipal service that includes curbside garbage, recycle, brush, white goods and e-waste pickup.

### Sales Tax

- Sales tax is the second largest revenue source for the Town's General Fund. Sales tax estimates provided to the Town by Haywood County reflect that that we should receive 1.8% of total collected sales taxes- which equals **\$424,076** (6% increase from FY18-19)

### **Expenditure Highlights:**

#### Administration

One of the proposed budget's largest expenditures is the purchase of a new software package- the Town's first software upgrade since 2001. Our current software is a DOS based system that does not allow for additional technology integration. The recommended software purchase is Incode, a Tyler Technologies Solution which features Financial Management Suite, Personnel Management Suite, Customer Relations Management Suite, Property Tax Management Suite, Content Manager, Community Development Suite, MyCivic Engagement at a cost of \$123,334 and includes a new SQL server.

- Incode Software = \$123,334

#### Board of Aldermen

The proposed budget places \$40,000 within Board of Aldermen budge line item to promote economic development and placemaking. The Board has expressed several ideas over the course of the past year that they would like to pursue in terms of economic development or community amenity development. These funds could be used as the catalyst for these undetermined projects by providing proof of concept, feasibility, engineering, design funding before full implementation or construction in FY20-21.

- Economic Development & Place Making = \$40,000

#### Debt Service

The proposed budget contains two final debt service payments. \$61,185 is the final payment due for the Riddle Cove-Creekside-Saddle-Paso Fino Special Assessment Road Project and \$32,798 is dedicated to pay the Town's remaining share of the 22 acre Jonathan Creek site owned by Haywood County; this is an advanced loan payoff of three years.

- Riddle Cove-Creekside-Paso Fino Road Project = \$61,185
- Haywood County Jonathan Creek Site (22 acres) = \$32,798

**With these debt service payments finalized the Town will enter FY 2020-2021 with a debt free General Fund.**

### Festival Grounds

There are no major expenditures planned for Festival Grounds during FY19-20. The FY18-19 budget provided for new refrigerator and freezer, painting and carpentry improvements to Wade Reece Stage, concession/bathroom and fence.

### Parks & Recreation

The Town continues to make investments in our Parks & Recreation System this budget year. The proposed budget includes funding for security camera installation at Mary Rathbone Rich Park (MRR) and at Parham Memorial Park (PM) and funding for Fishing Kiosks at MRR and PM that will help highlight the Town's Heritage Trout Water Program.

- Security Cameras = \$2,406
- Fishing Kiosks = \$2,100

### Police

The Town has made a diligent effort over the past decade to honor the integrity of the Police Department's vehicle fleet rotation cycle. This year is no exception. The proposed budget includes funding for two (2) new vehicle purchase one (1) AWD Sedan and one (1) AWD SUV. This is the same number of vehicles purchased in FY18-19.

- Budget includes \$58,312 for the cash purchase of two new police vehicles;
  - 2020 Dodge Charger AWD = \$25,742
  - 2020 Dodge Durango AWD = \$32,570

### Public Works

The proposed budget addresses several pressing equipment needs within the Public Works Department. The largest of the equipment needs is a new backhoe. The budget includes purchasing a new John Deere 310 SL Backhoe for a total purchase price of \$104,800. This backhoe is used throughout three departments Public Works, Powell Bill and Sewer. Each department will pay a share of the total cost. Public Works is scheduled to pay \$39,300 (37.5%) of the backhoe's total cost. It is also recommended that Public Works purchase a new Ford F350 XL Crew Cab 4x4 (with utility bed and rack) for a cost of \$52,400. As was the case with the backhoe, this truck is used by multiple departments that will help share the cost. Public Works is scheduled to pay \$39,300 (75%) of total cost while Powell Bill will pay the remaining \$13,100 (25%). The final Public Works equipment needs is a new Ferriss IS 2100 zero turn mower with a cost of \$9,200

- 2019 John Deere 310 SL Backhoe
  - \$104,800 Total Cost
    - **Public Works = \$39,300 (37.5%)**
    - Sewer Fund = \$39,300 (37.5%)
    - Powell Bill = \$26,200 (25%)
- 2020 F350 XL Crew Cab 4x4 + Utility Bed
  - \$52,400 Total Cost
    - **Public Works = \$39,300 (75%)**
    - Powell Bill = \$13,100 (25%)
- Ferris IS 2100 Zero Turn Mower
  - \$9,200

The proposed budget includes \$15,000 for the Town's participation in the new countywide wayfinding program sponsored by Haywood County TDA. A majority of the funds will be used as the Town's match for sign poles; also additional funds are budgeted for in-town signage. This project was originally funded in FY18-19 but project permitting complications have delayed installation until FY19-20.

- \$15,000 TDA/Haywood County Way Finding Program

#### Powell Bill

Powell Bill Funds must be spent on maintaining, enhancing, improving or constructing streets and sidewalks within the Town's municipal street system. Currently the Town's street system features 34 streets for a total of 6.67 miles. The proposed budget includes funding to help maintain and improve two streets with Brannon Forest at a cost of \$37,160. The Town is also using some Powell Bill funds to help offset the cost of new equipment/vehicle purchases within Public Works- the proposed John Deere Backhoe and F350 allow Public Works to better address management issues regarding our municipal street system.

Equipment – Vehicle Purchases: \$39,300

- 2019 John Deere 310 SL Backhoe
  - \$104,800 Total Cost
    - Public Works = \$39,300 (37.5%)
    - Sewer Fund = \$39,300 (37.5%)
    - **Powell Bill = \$26,200 (25%)**
- 2020 F350 XL Crew Cab 4x4 + Utility Bed
  - \$52,400 Total Cost
    - Public Works = \$39,300 (75%)
    - **Powell Bill = \$13,100 (25%)**

Road Improvement Projects: \$37,160

- Brannon Forest Drive
  - 1,200 Linear Feet (3 Shots of BST)
    - \$11,940
- Turn-a-bout Court to Cripple Creek Drive
  - 850 Linear Feet (1 Shot BST, 1.5" Hot Asphalt Mix)
    - \$25,200

#### **Fund Balance:**

"Fund balance available" is the statutory concept that describes the amount of funds local governments legally have available to be appropriated in the coming fiscal year. It is essential that ad valorem tax-levying units, such as municipalities maintain an adequate amount of fund balance available to meet their cash flow needs during the months in their revenue cycles when outflows exceed inflows. This ensures that the unit can meet current obligations and to prevent the unit from experiencing cash flow difficulties.

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In 2003 the Town of Maggie Valley received a warning letter from the Local Government Commission that expressed deep concern in our unappropriated fund balance level, which at that time was 26.77%. Although the LCG's requires all municipalities to keep at least 8% in unappropriated fund balance their recommended levels for small towns is much higher. The Town has worked greatly over the past decade to build up our fund balance to a more sustainable and resilient level. Due to several unforeseen and beneficial events during the past budget year the Town's **projected FY18-19 fund balance is \$2,965,576 or 109.2%**. This year's budget is balanced using a one-time fund balance transfer of \$165,331.00. If this transfer is approved the Town's estimated fund balance will be 102.4%. The table below shows the Town's fund balance health over the past fourteen fiscal years.

FY Ending	Total	Undesignated	% To expenditure
2003***	\$405,503	\$240,959	26.77
2004	\$623,528	\$300,476	34.68
2005	\$758,475	\$458,698	42.25
2006	\$1,083,759	\$845,945	63.10
2007	\$1,321,042	\$973,637	54.10
2008	\$1,480,287	\$1,209,324	51.57
2009	\$1,751,521	\$1,277,847	72.17
2010	\$1,760,072	\$1,544,683	67.24
2011	\$2,050,605	\$1,726,406	82.49
2012	\$1,916,848	\$1,728,287	77.44
2013	\$1,998,384	\$1,802,205	83.16
2014	\$2,188,814	\$2,121,853	100.72
2015	\$2,452,289	\$2,145,815	110.72
2016	\$2,554,639	\$2,406,189	107.22
2017	\$2,520,466	\$2,199,864	97.77%
2018	\$2,901,053	\$2,735,294	110.57%
*** Received LGC Letter			

### Taxes & Fees

#### **Property Tax:**

The proposed FY19-20 budget is based upon the current Property Tax rate of \$0.43 per \$100 assessed value. The proposed \$0.43 rate allows our government to continue providing core municipal services while continuing to make sustainable investments within Town that will allow Maggie Valley to remain a great place to live, work and play.

Property Tax remains, the largest source of revenue for the Town and is based upon real property assessments conducted by Haywood County. The estimated FY19-20 total tax value of the Town is \$391,420,616 which reflects a 3.7% increase in value from the FY18-19 budget.

Fundamentally, each \$0.01 of the tax rate equals \$38,164; this is a \$428 increase in "penny value" from FY18-19. Based upon a 96.97% collection rate, property tax revenue is expected to be \$1,632,110.



**Sales Tax:**

Sales tax is the second largest revenue source for the Town's General Fund. Sales Tax distribution can occur using the Ad Valorem or Population method. It is each county's prerogative to establish how sales tax is distributed; Haywood County has chosen the population formula. Sales tax estimates provided to the Town by Haywood County reflect that that we should receive 1.8% of total collected sales taxes- which equals \$424,076 (6% increase from FY18-19)

**Sewer Capacity Capital & User Fees:**

Since FY13-14 the Town of Maggie Valley has made small incremental fee increases to both its sewer capacity capital charge fee and traditional user fees. These increases were necessary to include in each budget in hopes of stabilizing the Sewer Fund's Retained Earnings-this is how the Town pays for the most recent wastewater treatment plant upgrade. Although the Town's \$6.75/gpd (\$810 per bedroom) is still well below the stated replacement rate of \$16.00/gpd (\$1920 per bedroom) recommended by McGill Engineering progress has been made to close the gap. With a favorable progression in the retained earnings portfolio there are no proposed sewer capacity capital charge increases for a third straight budget year. For the second time in three budget years sewer user fees are proposed to remain the same. Appendix I provides a detailed list of all applicable sewer fees for FY19-20.

**Planning & Zoning Fees:**

The recommended FY19-20 Budget proposes one fee increase within the Planning & Zoning Fee Schedule (See Appendix II). Previously "detached garages / accessory dwelling units" were assigned a \$50 zoning confirmation fee. These structures require substantial staff field inspection time to ensure setback and sewer requirements. The proposed fee is \$250.

**Solid Waste Fee:**

Maggie Valley adopted a \$5.00 monthly residential solid waste fee as part of the FY16-17 Budget which was established by the Solid Waste Ordinance (Ordinance 850). The \$5.00 monthly fee helps offset the cost of the Town's curbside solid waste collection services that include container issued trash, container issued recycling, yard debris, white goods and e-waste. The \$5.00 monthly fee generates \$81,615 which represents 60% of the Town's solid waste committed costs. This modest solid waste fee is the lowest among Haywood County Municipalities that range from \$9.00 to \$11.50 monthly.

**Motor Vehicle Fee:**

Maggie Valley adopted a \$5.00 annual vehicle fee in FY15-16. This fee applies to vehicles registered to residents of Maggie Valley. The Motor Vehicle Fee is estimated to generate \$7,290. These funds are used to help supplement the Street Maintenance Fund (05-424241) which is recommended to be \$15,000 for FY19-20. This line item helps the Town help improve private street/road systems within the corporate limits.



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## **Personnel**

### **Salaries & Wages:**

In FY15-16 the Town of Maggie Valley Board of Alderman implemented Recommendation IV of the 2014 Pay Classification and Personnel Study. This investment in the Town's workforce helped ensure that Maggie Valley remained competitive within our region allowing the Town to retain and attract quality employees. The Town was an early adopter of a new pay class model and many of our competitors followed our lead in updating their own pay class standards. The Town continues to use this study as a model to drive salary and wage decisions. To ensure that Town's employee recruitment and retention stays competitive a new Pay Class and Personnel Study was commissioned in FY18-19. The preliminary findings associated with this report showed that Maggie Valley was still lagging behind regional competitors in terms of pay. While the pay class recommended several options to close the wage gap; none of these options seemed appropriate for Maggie Valley with one option costing \$128,000 to implement. Based upon the Town's need to remain competitive a workplace **The proposed salary increase for FY19-20 is 6.8% which represents a \$69,651 increase.**

The proposed FY19-20 Budget does not provide funding for a Cost of Living Allowance (COLA) or Merit Raise. It does provide \$1,917.57 for continued education Career Track funding. Since the salary increase is based upon pay class modifications all employees will receive varying raises. No employee will receive less than a 3% increase while the average employee increase is 6.9%

Addressing the pay class adjustment now will eliminate the Town from having to revisit the issue in FY20-21. It is anticipated that Town should return to its Merit Based and Career Track salary increases during next fiscal year.

### **Insurance:**

On April 1, 2016, the Town of Maggie Valley joined the North Carolina State Health Plan for Teachers and State Employees, which provides coverage through BlueCross Blue Shield of North Carolina. This conversion not only allowed our employees to access better health care coverage but it also saved the Town from experiencing violate premium increases that we were accustom to seeing when purchasing health insurance on the open market. Unlike previous insurance plans where the Town's insurance rate premiums ran during our fiscal budget year July 1 through June 30 the SHP establishes rate premiums that coincide with the calendar year running from January 1 to December 31. The town has budgeted upon State recommendation a premium rate increase of 5% for this period.

**The total budget expenditure for Town employee insurance is \$264,938. The Town will continue to pay for 100% of employee health insurance premiums. For vested employees the Town will continue to pay 80% of the employee's dependent coverage while recent and new hires will be compensated at graduated service levels rates.**

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**Staff Composition:**

The Town of Maggie Valley has twenty-three (23) full time employees that perform their job duties over four departments: Administration (5), Police (11), Public Works (4) and Sewer (3). The FY18-19 does not include any increases in Town Work Force; remains the same at 23.

**Major Projects**

In 2001 the Town of Maggie Valley purchased its current “software package.” This software package is a MS-DOS based system that the Town relies on for its financial management. It is a system that still works but preforms poorly based upon today’s standards; it also fails to work in conjunction with today’s technology. The budget proposal recommends purchasing Tyler Technologies’ “Incode” system for \$123,334. The software package includes:

- Financial Management Suite
- Personnel Management Suite
- Customer Relations Management Suite
- Property Tax Management Suite
- Community Development Suite
- My Civic Engagement
- Content Manager

**Beyond the Horizon****Soco Road Improvement Project**

The Town of Maggie Valley Pedestrian Safety Action plan was adopted by the Board of Aldermen on November 14, 2016. This adopted plan is the completed outcome of the Town Center Master Planning process than began during FY15-16. Although not necessarily the archetypal outcome of a Town Center Plan, the Maggie Valley Pedestrian Safety Action Plan contains most of the design elements that the Town Center Plan was attempting to achieve. It has a traffic calming element (lane width reductions), it encourages pedestrian mobility (by creating /enhancing crosswalks) and it beautifies the Town by decentralizing areas of aesthetic intrigue. These elements plus creating bike lanes made the project a perfect candidate to receive FHWA STPBGP Funding from the French Broad River MPO and NC Department of Transportation. On May 25, 2017, the Town was awarded \$2,370,000 in STPBGP funding. The award is an 80/20 reimbursable grant meaning the Town’s share would be \$395,000.

In February 2018, the Town of Maggie Valley provided NCDOT with our match of the project’s engineering and design phase which was \$35,000. This phase is anticipated to take a year because of the detailed traffic study needed to justify reduction in lane widths or overall number of travel lanes. In March 2019, the Town met with NCDOT to discuss the findings of the traffic study and meet our project engineer. The traffic study revealed new options that they Town could pursue as part of this road enhancement project. These options will be publicly discussed during FY19-20 in hopes of selected the best option for the Town to pursue under our funding guidelines. Although, construction is unlikely to begin in FY19-20 the Proposed FY19-20 Town

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Budget provides \$120,000 funding for the project in the “Soco Road Capital Fund.” It is envisioned that the Town’s \$360,000 required match for the road improvement project will not be over burdensome on the general fund budget due to the expiring Police Department Building Loan in FY18-19. This loan had an annual payment of \$113,440 which can be applied to a short term loan to ensure the project’s speedy completion.

### ABC Privatization

One of the most buzz worthy topics being discussed this legislative session in the North Carolina General Assembly is privatization of the state’s ABC system or as House Bill 971 describes it as “the modern licensure model for alcohol control.” While there are many in the General Assembly that want to end the state Alcoholic Beverage System there are still varying attitudes and interests on how to arrive at that point. Regardless, if HB971 passes as written or with modification the impacts to the Town of Maggie Valley’s budget will be felt. In FY17-18 as required by state law the Town received \$13,358 from our local ABC Board. In contrast, the forced closing of the Town ABC Stores could provide additional real estate holdings and opportunities that the Town could leverage to meet lingering community needs.

### US Census: Population Change

The United States Census is a population gathering tool mandated by the United States Constitution that determines among other things the composition of the US House of Representatives. The Census is conducted every 10 years, 2020 is the next Census and results are reported the following year 2020-2021. The 2010 Census reported that there were 1,050 people living in Maggie Valley. This is important to note because a year earlier, the State Demographer (Office of Budget & Management) estimated the Town’s population to be 1,610. Population is what the Town’s sales tax and franchise taxes are based upon. What population loss the Town endured does not seem like a large amount until it is placed in context with sales tax. If the Town were to lose the same population in 2020-21 that it did in 2011-2012 it would lose an estimated \$141,359 in sales tax revenue. This underscores the importance of an accurate Census to be taken for Maggie Valley.

Table 1: How Your Tax Dollars Are Spent

<b>Tax Value of your property:</b>	<b>\$100,000</b>	<b>\$300,000</b>	<b>\$500,000</b>	<b>\$700,000</b>
<b>Maggie Valley Property Taxes Paid</b>	\$430	\$1,290	\$2,150	\$3,010
<b>How your tax dollars are spent?</b>				
<b>Administration</b>	\$87	\$261	\$435	\$610
<b>Board of Aldermen</b>	\$16	\$48	\$81	\$113
<b>Debt Service</b>	\$14	\$43	\$70	\$98
<b>Festival Grounds</b>	\$17	\$51	\$85	\$119
<b>Parks &amp; Rec</b>	\$4	\$13	\$21	\$29
<b>Police</b>	\$169	\$510	\$850	\$1,190
<b>Public Works</b>	\$104	\$310	\$517	\$724
<b>Soco Road Capital Fund</b>	\$19	\$54	\$91	\$127

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### **Conclusion**

This budget would not have been made possible without the professional guidance and expertise provided to me by our Town's Finance Director Shayne Wheeler. Her advanced understanding of budget mechanics allowed me the opportunity to concentrate on creating a budget that I hope reflects not only the values of the Mayor and Board of Aldermen but the people of Maggie Valley. As you know, the FY 19-20 proposed budget is the sixth I have had the honor of submitting to you as Town Manager. I would like to thank you for entrusting me with this great responsibility, which I consider myself deeply privileged to have.

Within the budget you will find each department's line item spreadsheets that compare this year's proposed budget to the past two budget years. Additionally you will find a "Department Summary Page" at the beginning of each department section that provides a cursory review of the department's fiscal and organizational health.

The proposed FY19-20 Budget was created to not only maintain but to enhance the level of service that the Town provides its taxpayers. To ensure this objective was met there were many sacrifices each department made to contribute to a more sustainable and resilient town. It is this type of sacrifice and selflessness that personifies our staff's continued commitment to making Maggie Valley the best place to live, work and play in Haywood County.

Sincerely,

Nathan Clark  
Town Manager

# General Fund Summary FY 2019-2020

<b>Department</b>	<b>Budget</b>
Administration	\$571,232
Public Works	\$676,908
Police	\$1,112,636
Festival Grounds	\$112,349
Board of Aldermen	\$107,321
Recreation	\$18,100
Debt Service	\$93,983
Powell Bill	\$94,582
Soco Road	\$120,000
Capital Fund	
Contingency	\$0
<b>Expenditures</b>	<b>\$2,907,111</b>
<b>Revenues</b>	<b>\$2,907,111</b>

## **General Fund**

### **Department Summary**

#### **Administration:**

- The recommended budget directs \$10,000 to assist in the codification of the Town's new Unified Development Ordinance (UDO). The UDO is a product of the Planning Department that transforms the Town's current aging Zoning Ordinance into a modern document that meets the needs of not only today's Maggie Valley but tomorrow's as well. The codification of the UDO allows it to be digitally displayed and indexed leading to better ordinance transparency and end user experience.
- The recommended software purchase is Incode, A Tyler ERP Solution which features Financial Management Suite, Personnel Management Suite, Customer Relations Management Suite, Property Tax Management Suite, Content Manager, Community Development Suite, MyCivic Engagement at a cost of \$123,334 which includes a new SQL server.

#### **Public Works:**

- Non-Powell Bill Road Maintenance is recommended to have \$15,000. Two projects that might use these funds would be Rocky Top Road and Hemlock Loop. Hemlock Villas was awarded funds in FY17-18 but they have gone unused; hopefully this project will use their funding in this year's budget.
- Haywood County TDA is launching a countywide wayfinding program. TDA has paid the bulk of the project's cost include design and sign fabrication. TDA is asking the Town to cover the cost of sign poles/post, installation and any additional wayfinding signs not covered by the shared program. \$15,000 is allocated in the recommend budget to cover Maggie Valley's participation in the program.
- To improve the appearance of the Soco Road corridor \$7,000 has been included to purchase new seasonal and Miss Maggie banners.
- The proposed budget addresses several pressing equipment needs within the Public Works Department. The largest of the equipment needs is a new backhoe. The budget includes purchasing a new John Deere 310 SL Backhoe for a total purchase price of \$104,800. This backhoe is used throughout three departments Public Works, Powell Bill and Sewer. Each department will pay a share of the total cost. Public Works is scheduled to pay \$39,300 (37.5%) of the backhoe's total cost. It is also recommended that Public Works purchase a new Ford F350 XL Crew Cab 4x4 (with utility bed and rack) for a cost of \$52,400. As was the case with the backhoe, this truck is used by multiple departments that will help share the cost. Public Works is scheduled to pay \$39,300 (75%) of total cost while Powell Bill will pay the remaining \$13,100 (25%). The final Public Works equipment needs is a new Ferriss IS 2100 zero turn mower with a cost of \$9,200

### **Police**

- The Town has made a diligent effort over the past decade to honor the integrity of the Police Department's vehicle fleet rotation cycle. This year is no exception. The proposed budget includes funding for two (2) new vehicle purchase one (1) Dodge Charger AWD Sedan (\$25,742) and one (1) Dodge Durango AWD SUV (\$32,570) for a total vehicle purchase price of \$58,312.

### **Festival**

- In this year's proposed budget a percentage of salaries and benefits have been allocated from the Administration Department's Town Clerk (20%) and Executive Assistant (5%) as well as from a Public Works Technician (45%) position to account for their increased time and responsibilities regarding the Festival Grounds operation. This is similar to the relationship between "Sewer" and Administration." This objective of this technique is to demonstrate the true cost of expenditure.

### **Board of Aldermen**

- The proposed total for Town Attorney fees for FY19-20 is \$21,600 which represents a \$300 per month increase over FY18-19. The Professional Service budget line item remains unchanged at \$27,000
- The proposed budget places \$40,000 within Board of Aldermen budget line item to promote economic development and placemaking. The Board has expressed several ideas over the course of the past year that they would like to pursue in terms of economic development or community amenity development. These funds could be used as the catalyst for these undetermined projects by providing proof of concept, feasibility, engineering, design funding before full implementation or construction in FY20-21

### **Parks & Recreation**

The Town continues to make investments in our Parks & Recreation System this budget year. The proposed budget includes funding for security camera installation at Mary Rathbone Rich Park (MRR) and at Parham Memorial Park (PM) for \$2,406 and funding for Fishing Kiosks at MRR and PM that will help highlight the Town's Heritage Trout Water Program for \$2,100.

### **Debt Service**

- **The proposed budget does not include any additional debt.** The Town will issue its two final debt service payments within the proposed budget's fiscal year. \$61,185 which will payoff the Riddle Cove-Creepsides-Saddle-Paso Fino Special Assessment Road Project and \$32,798 which will payoff the Town's commitment to Haywood County's Jonathan Creek Site (22 acres). The Jonathan Creek final payment is this is an advanced loan payoff of three years.

**With these debt service payments finalized the Town will enter FY 2020-2021 with a debt free General Fund.**



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**Powell Bill**

- Town pavement resurfacing maintenance allowance is \$37,160. Funds are envisioned to be used within the Brannon Forest neighborhood.
- Provides proportional funding for new John Deere 301 SL Backhoe at 25% (\$26,200) and for F350 XL Crew Cab 4x4 at 25% (\$13,100)
- Town of Maggie Valley Street System remains at 6.67mi

**Soco Road Capital Fund**

- This is a newly created fund that serves as the savings account to help provide the necessary payments associated with the Soco Road Improvement Project. The Town's estimated share of the project is \$395,000. Our STPBG grant funding requires NCDOT to pay 80% of project cost while the Town is required to pay 20%. \$120,000 have been placed in this fund for its first year existence.

**Contingency**

- This department consists of funds that are set aside for unanticipated expenses or as a place to hold funds to be used at a later date for a specific purpose. In this year's budget it is recommended that \$0 (total amount within contingency) be directed into the Town's Contingency Fund.

## Sewer Fund Summary FY2019-2020

Department	Budget
Administration	\$437,512
Operations	\$270,744
Debt Service	\$193,761
Contingency	\$0
<b>Expenditures</b>	<b>\$902,017</b>
<b>Revenues</b>	<b>\$902,017</b>

### **Sewer Capacity Capital Charge Fee & Sewer Use Rate Fees**

The proposed budget does not recommend an increase to the Sewer Capacity Capital Charge nor does recommend a change in sewer user fees. See Appendix I for Fee Schedule.

### **Leachate Agreement**

- In March 2019, the Town of Maggie Valley and Santek Environmental of North Carolina who operate the Haywood County Landfill on an expanded management agreement with Haywood County entered a leachate disposal agreement. The Town and Santek had a previous agreement; this is the first time since 2014 the Town's Wastewater Treatment Plant will accept their leachate. The FY19-20 Budget estimates that the Town will receive approximately 140 loads of leachate for an estimated revenue of \$20,000. This revenue is extremely unpredictable and varies based upon weather conditions.

### **Appropriated Fund Balance**

- FY19-20 marks the second straight year since FY 09-10 that the Sewer Fund's budget has been balanced without using retained earnings. This is a result of higher than anticipated sewer capacity capital charges being collected.

### **Debt Service Payment**

- The Town continues payments on the Wastewater Treatment Plant (WWTP). The total annual payment for the facility is \$193,761. The remaining balance owed on the WWTP is \$1,620,640; the Town will issue its final payment on this critical facility in 2028.

### **Proposed Sewer Fee Schedule Amendments** - Sewer Fees (Appendix I)

## Appendix I: Sewer Fees & Solid Waste Fee

## Appendix II: Planning & Zoning Fees